



**Caribbean Producers (Jamaica) Limited
Report to Shareholders**

Nine Months ended March 31, 2013



Positive Outlook

Recently CPJ welcomed the addition of the Treasury Wine Estates portfolio which includes several prestigious and well-known wine brands such as Beringer, Linderman's and Penfolds. This acquisition will have a positive sales impact for our wine category in both the hospitality and retail channels.

The company continues to rationalize some of its current product categories as it introduces new products for niche markets including the launch of CPJ processed manufactured meat brands. Our Food Processing plant continues to expand the range of offerings to satisfy market demand. Several new local pork products including Hams, Bacon, Sausage as well as Hamburgers have been launched in the retail and hospitality markets and are showing strong signs of market acceptance based on quality and value.

Another key initiative that was planned to expand opportunities for growth has begun, with our export led growth strategy which started with our first export of processed meats and beverage products to the island of St. Maarten on March 1st.

At its meeting on April 29th, 2013 the Board of Directors approved a resolution authorizing the issuance of a series of floating rate Jamaican dollar secured promissory notes, for an aggregate principal amount of Five Hundred Million 0/100 Jamaican dollars (J\$500,000,000.00) pursuant to the trust deed with JCSD Trustee Services Limited. The financing will be used to retire existing debts to financial institutions and to related parties.

At the close of this quarter, the Jamaican Dollar still remained unstable in response to the pending agreement between the Government and the IMF, as consumer confidence has declined and softened demand. Notwithstanding these challenges, the company's core focus will be to optimize performance and generate strong return on investments by defending its core business and growing new areas of opportunity.

REPORT TO THE SHAREHOLDERS

Unaudited Results for Nine Months Ended March 31, 2013

Financial Performance - Company Delivered Positive Results for Q3

The 3rd quarter ending March is traditionally our strongest and the results are aligned with our projected targets and forecasts. Revenues for the nine month period were US\$50.1 million versus US\$49.8 million for the corresponding period last year, representing modest growth. This increase was achieved notwithstanding the challenging macroeconomic conditions that prevailed for the period which impacted the operating environment for many industry players.

However, the company was able to implement tactical measures that contributed to improved margins derived from the manufacturing divisions. As a result, the company achieved a 14.6% increase in its Gross Operating Profit of US\$14.5 million, a notable improvement when compared to the corresponding period last year of US\$12.7 million (representing 29.03% and 25.52% gross profit margin respectively).

Gross profit for the third quarter grew by 9.8% however selling and administrative expenses increased by 25%. During the quarter the company focused on optimizing the performance of its operations as well as targeting new growth opportunities, particularly in the retail trade. The year to date gross sales generated by our retail division increased by 10% when compared to last year.

The company expanded its house retail operations by developing and constructing three new business units - **CRU Bar, CPJ Market and the Deli in Kingston** which opened in December 2012. Each business unit has been supported by their specific target markets as their financial and non financial metrics have improved each month since operations commenced.

The other significant capital project of the year, our Food Processing Plant, came into formal operations in this quarter. The combination of all of these new business units becoming operational in this quarter have contributed to the 25% increase over last year in the company's selling and administrative expenses, mostly in staffing and utility expenses.

Despite the positive growth in revenue, profits were impacted primarily as a result of startup costs associated with the projects. The overall profit for the nine month period was US\$1.8 million compared to the previous year's profit of US\$2.5 million. However, it is important to note that EBITDA decreased marginally by 2% over the corresponding 9 month period moving from US\$4.5 million to US\$4.3 million.

On March 8th, 2013 the Board of Directors declared an interim dividend of \$.045 per stock unit payable on March 28th, 2013 to shareholders on record as of March 22, 2013.

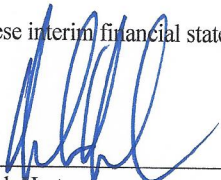
Non-current assets for the Company increased by 17% over the same period last year to US\$14.6 million, current assets also grew by 12% over the corresponding period last year mainly as a result of an increase in inventories of US\$2 million. There was also a corresponding increase in current liabilities which saw short term loans increased by US\$1.9 million.

A handwritten signature in blue ink, appearing to read 'Mark Hart'.
Mark Hart, Chairman


Interim Statement of Financial Position

	Unaudited March 31, <u>2013</u>	Unaudited March 31, <u>2012</u>	Audited June 30, <u>2012</u>
CURRENT ASSETS			
Cash and cash equivalents	708,687	797,168	673,473
Accounts receivable	12,983,833	12,058,867	11,499,917
Inventories	17,137,165	15,122,173	15,722,412
	<u>30,829,685</u>	<u>27,978,208</u>	<u>27,895,802</u>
CURRENT LIABILITIES			
Short-term loans	5,100,000	3,200,000	6,000,000
Accounts payable	6,502,067	5,944,871	4,571,929
Due to related parties	3,746,667	3,646,667	3,916,667
Current portion long-term loans	337,610	406,261	516,813
Tax payable	177,543	164,925	218,381
	<u>15,863,887</u>	<u>13,362,724</u>	<u>15,223,790</u>
NET CURRENT ASSETS	<u>14,965,798</u>	<u>14,615,484</u>	<u>12,672,012</u>
NON-CURRENT ASSETS			
Interest in joint venture	270,265	246,585	268,643
Investment	-	49,452	-
Deferred tax asset	-	2,940	-
Property, plant and equipment	11,106,563	7,410,056	8,576,076
	<u>11,376,828</u>	<u>7,709,033</u>	<u>8,844,719</u>
	<u><u>26,342,626</u></u>	<u><u>22,324,517</u></u>	<u><u>21,516,731</u></u>
SHAREHOLDERS' EQUITY			
Share capital	4,898,430	4,851,327	4,898,430
Accumulated surplus	6,752,559	5,606,380	5,457,709
	<u>11,650,989</u>	<u>10,457,707</u>	<u>10,356,139</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	17,599	-	17,599
Related party loans	12,265,833	8,984,580	8,614,493
Long term loans	2,408,205	2,882,230	2,528,500
	<u>14,691,637</u>	<u>11,866,810</u>	<u>11,160,592</u>
	<u><u>26,342,626</u></u>	<u><u>22,324,517</u></u>	<u><u>21,516,731</u></u>

These interim financial statements were approved by the Board of Directors and signed on its behalf by:


 Mark Hart

Director


 Jan Polack

Director

The accompanying notes form an integral part of the interim financial statements.

CARIBBEAN PRODUCERS (JAMAICA) LIMITED
Period ended March 31, 2013

Interim Statement of Comprehensive Income - Unaudited

	Three months ended March 31, <u>2013</u>	Three months ended March 31, <u>2012</u>	Nine months ended March 31, <u>2013</u>	Nine months ended March 31, <u>2012</u>
Gross operating revenue	19,412,828	19,183,752	50,148,864	49,789,784
Cost of operating revenue	<u>(13,642,532)</u>	<u>(13,929,747)</u>	<u>(35,632,022)</u>	<u>(37,068,006)</u>
Gross profit	5,770,296	5,254,005	14,516,842	12,721,778
Selling and administrative expenses	(3,604,960)	(2,887,452)	(10,212,138)	(8,133,672)
Depreciation	(442,633)	(253,709)	(1,140,749)	(746,444)
Other operating income/(expenses), net	<u>6,593</u>	<u>(10,458)</u>	<u>(33,087)</u>	<u>(92,887)</u>
Operating profit	1,729,296	2,102,386	3,130,868	3,748,775
Finance income	259	439	883	1,461
Finance costs	(461,287)	(368,355)	(1,318,671)	(1,170,719)
Share of loss in joint venture	<u>(5,264)</u>	<u>(4,557)</u>	<u>(11,344)</u>	<u>(17,637)</u>
Profit for the period, being total comprehensive income	USD <u>1,263,004</u>	<u>1,729,913</u>	<u>1,801,736</u>	<u>2,561,880</u>
Earnings per stock unit	USD <u>0.115¢</u>	<u>0.157¢</u>	<u>0.164¢</u>	<u>0.236¢</u>

Interim Statement of Changes in Equity - Unaudited

	<u>Share capital</u>	<u>Accumulated surplus</u>	<u>Total</u>
Nine months ended March 31, 2012			
Balances at June 30, 2011	5,874	3,044,500	3,050,374
Profit for the period, being total comprehensive income	-	2,561,880	2,561,880
Transaction recorded directly in equity: Issue of shares (note 2)	<u>4,845,453</u>	<u>-</u>	<u>4,845,453</u>
Unaudited balances at March 31, 2012	USD <u>4,851,327</u>	<u>5,606,380</u>	<u>10,457,707</u>
Nine months ended March 31, 2013			
Balances at June 30, 2012	4,898,430	5,457,709	10,356,139
Profit for the period, being total comprehensive income	-	1,801,736	1,801,736
Dividends paid	<u>-</u>	<u>(506,886)</u>	<u>(506,886)</u>
Unaudited balances at March 31, 2013	USD <u>4,898,430</u>	<u>6,752,559</u>	<u>11,650,989</u>

Interim Statement of Cash Flows - Unaudited

	Nine months ended March 31, <u>2013</u>	Nine months ended March 31, <u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	1,801,736	2,561,880
Adjustments for:		
Interest expense	1,318,671	1,170,719
Interest income	(883)	(1,461)
Depreciation	1,140,749	746,444
Gain on disposal of property, plant and equipment	<u>(17,751)</u>	<u>(10,284)</u>
	4,242,522	4,467,298
(Increase)/decrease in current assets:		
Accounts receivable	(1,483,916)	(2,791,030)
Inventories	(1,414,753)	669,104
Decrease in current liability:		
Accounts payable	<u>1,747,207</u>	<u>1,416,264</u>
Cash generated by operations	3,091,060	3,761,636
Interest paid	(1,135,740)	(1,197,206)
Tax paid	<u>(40,838)</u>	<u>(653,146)</u>
Net cash provided by operating activities	<u>1,914,482</u>	<u>1,911,284</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	883	1,461
Interest in joint venture	(1,622)	37,038
Additions to property, plant and equipment	(3,676,600)	(3,138,641)
Proceeds from disposal of property, plant and equipment	<u>23,115</u>	<u>67,309</u>
Net cash used by investing activities	<u>(3,654,224)</u>	<u>(3,032,833)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	-	4,845,453
Dividends Paid	(506,886)	-
Loans received from related parties	3,631,340	-
Loans repaid to related parties	(150,000)	(158,758)
Loans repaid to third parties	<u>(1,199,498)</u>	<u>(3,639,229)</u>
Net cash provided by financing activities	<u>1,774,956</u>	<u>1,047,466</u>
Net increase in cash and cash equivalents for the period	35,214	(74,083)
Cash and cash equivalents at beginning of the period	<u>673,473</u>	<u>871,251</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	USD <u>708,687</u>	<u>797,168</u>

Selected explanatory notes

1 Basis of preparation

These interim financial statements have been prepared in accordance with accounting policies set out in note 2 to the audited financial statements for the year ended June 30, 2012, which have been consistently applied from period to period.

2 Issue of shares

In July 2011, the company issued 220,000,000 new shares to the public. The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011.

3 Operating segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Based on the nature of the company's products, processes, customers and distribution systems, management has determined that disclosure of segment information is not applicable to the company.

4 Taxation

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011. Consequently, the company is entitled to a remission of taxes for 10 years in the proportions set out below, provided the shares remain listed

Years 1 to 5 100%

Years 6 to 10 50%

5 Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue for the period. The weighted average number of shares for the period was calculated as follows:

	Three months ended March 31, 2013	Three months ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
Issued ordinary shares at beginning of period	1,100,000,000	1,100,000,000	1,100,000,000	880,000,000
Effect of shares issued during the period	-	-	-	204,800,000
Weighted average number of ordinary shares held during the period	<u>1,100,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>	<u>1,084,800,000</u>

6 Dividends

On March 8, 2013, the Board of Directors declared an interim dividend of JMD \$0.045 per stock unit payable on March 28, 2013 to shareholders on record as at March 22, 2013.



TOP TEN (10) STOCKHOLDERS

As at 31 March 2013

<u>NAME</u>	<u>SHARES</u>
1. Wave Trading Limited	440,000,000
2. Sportswear Producers Limited	440,000,000
3. JCSD Trustee Services Ltd. A/C#76579-02	13,679,900
4. ATL Group Pension Fund Trustees Nom. Ltd.	12,982,044
5. SJIML A/C 3119	10,231,789
6. Huixiong, Liao	9,971,710
7. Mayberry Managed Clients Account	7,214,638
8. JCSD Trustee Services Ltd. - Sigma Venture	6,270,084
9. SJLIC for Scotiabridge Retirement Scheme	5,828,933
10. SJIML A/C 831	5,675,229

DIRECTORS' AND SENIOR OFFICERS' INTERESTS

The interests of the Directors and Senior Officers, holding office at the end of the quarter, along with their connected persons*, in the ordinary stock units of the Company were as follows:

Mark Hart ^{1, 2}	
Antony Hart ¹	
Ronald Schrager ³	
Sandra Glasgow	100,000
Theresa Chin	760,900
Jan Polack	2,790,185
Richard Mark Hall	234,986
Hugh Logan	545,743
Radcliffe Murray	567,098
Petra-Ann Williamson	285,467
¹ Interests in Sportswear Producers Limited	440,000,000
² Interests in Wave Trading Limited	440,000,000
³ Interests in Alpine Endeavors Limited	1,881,100

*Persons deemed to be connected with a director/senior manager are:

- i. The director's/senior manager's husband or wife.
- ii. The director's/senior manager's minor children (these include step-children) and dependants and their spouses.
- iii. The director's/senior manager's partners.
- iv. Bodies corporate of which the director/senior manager and or persons connected with him together

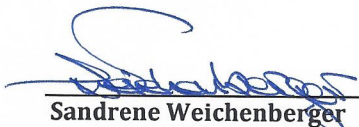


Compliance Statement for Statutory Obligations

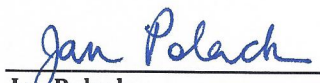
Reporting Period: 3rd Quarter Ending March 31, 2013

Statutory Liability	Jan-13	Date of Pmt	Feb-13	Date of Pmt	Mar-13	Date of Pmt
P.A.Y.E.	78,919.83	14-Feb-13	66,887.81	14-Feb-13	80,393.20	15-Apr-13
N.H.T.	22,998.96	14-Feb-13	20,494.42	14-Feb-13	26,290.64	15-Apr-13
Education Tax	22,611.11	14-Feb-13	20,107.06	14-Feb-13	25,778.16	15-Apr-13
HEART	13,828.77	14-Feb-13	12,325.44	14-Feb-13	15,817.12	15-Apr-13
NIS	13,594.03	14-Feb-13	13,614.39	14-Feb-13	19,089.60	15-Apr-13
GCT	215,333.26	28-Feb-13	334,734.65	26-Feb-13		15-Apr-13 *

* - To be paid


Sandrene Weichenberger
 Financial Controller

18/Apr/13
 Date


Jan Polack
 Chief Operating Officer

18/Apr/13
 Date